

(3) Pacific Bell did not use rental rates from any publications in the development of floor space rates for EIS. As discussed above, the rates were developed based on the long run incremental costs to construct central office space and the current cost of land. These costs were developed based on actual recent construction experience and construction industry information. These costs were then compared to the construction costs reflected in RS Means to assess the reasonableness of Pacific Bell's calculations. Only construction costs and the current cost of land are reflected in the base cost figure.

(4) Pacific Bell did not base floor space rates on a sample of central offices.

(g) Power Charges

(1) Pacific Bell did not use specifically identifiable equations to compute AC power costs included in the cost of DC power (nor did Pacific Bell identify such AC power costs separately). AC, or utility, power used to operate the network is booked to USOA account 6531 and is included as part of the maintenance factor of each equipment account (e.g., digital circuit equipment - "COE").

(2) This issue does not apply to Pacific Bell's EIS Tariff.

(3) This issue does not apply to Pacific Bell's EIS Tariff.

**(h) Cross-Connection Charges and Termination
Equipment Charges**

(1) Pacific Bell did not include repeaters in the provisioning of cross-connection service. There are several engineering factors which affect the decision to use repeaters. For example, repeaters may be necessary where the distance from the collocation area to Pacific Bell's special access network elements exceeds 655 feet for DS1 and 450 feet for DS3. This may be the situation at multi-story or multi-building central offices. Intra-office repeaters may also be used if DSX panels are installed between the collocation area and the special access network elements and this distance exceeds 90 feet. This may occur at central offices where DCS ports are scarce, demand is unknown or relatively low, and adding repeaters is less expensive than employing scarce DCS resources. Other factors to consider (which favor use of a mini-span architecture over the use of repeaters), would be the number of interconnectors and EISCC circuit demand. These are engineering factors that will need to be weighed on an office by office basis as interconnectors begin to collocate.

Given the uncertain impact of these factors Pacific Bell would need to consider, Pacific Bell did not include those costs at this time in the cross connection charge. As experience shows that repeaters will be used in certain central offices, however, Pacific Bell will need to recalculate the cross-connection charges and re-file tariff rates as appropriate.

(2) Pacific Bell will use the least expensive and most economically feasible method for providing EISCC. Whether a centralized versus a distributed EISCC architecture is used will

depend on various factors, such as the number of collocators in the central office, the number of EISCC circuits, the availability of circuit terminating equipment, the distance between the collocation area and facility area and special access facilities, and the timing of service requests. These engineering decisions will be made on an office-by-office basis.

(3) Pacific Bell has included in its EIS cross connect charge only those network components necessary to establish a connection between the interconnectors' network facilities and Pacific Bell's network services with which the interconnector is requesting connection, in this instance special access. This configuration (see Appendix O, Diagram E), includes a distribution point called the Point of Termination ("POT") where connection with the interconnector's network occurs, cabling, and a second distribution point where connection with the special access service occurs. (Other elements may be included between the distribution points, such as regenerators, depending on technical parameters). In developing this architecture for the EIS cross connect, Pacific Bell examined not only the immediate services that interconnectors will desire access to, but also how access to other services, in the future, could be accomplished using the same configuration (e.g., switched access transport). Pacific Bell focused on: the function of the cross connect, which is distribution of circuits from the interconnector to the above mentioned services; network design issues such as minimizing the distance between the point of interconnection and the equipment areas within the central office where Pacific Bell's service facilities are located; minimizing

cable congestion within the central office; and flexibility to evolve Pacific Bell technologies (e.g., DSX cross connects to digital cross connect systems). In Pacific Bell's central offices, running the interconnector's circuits to Pacific Bell's MDF was not the most efficient and flexible design. Nor would that design be desirable from a security or liability perspective.

Teleport maintains that a POT is unnecessary and that it should be able to cross-connect directly to the MDF. Teleport's proposed cross-connection to the MDF is described in the Designation Order in paragraph 39, as follows: "this cross-connection is effected by utilizing a small cable on the LEC's MDF to connect a point designating the tail to a point designating an interconnector's circuit or channel [T]his connection is made between two digital cross-connect panels on the MDF, one for the tail circuits, and one dedicated to the interconnector." If the specific titles (i.e., MDF and POT) are set aside and focus is placed on the function performed by the equipment assembly, what Teleport has actually described is the distribution function performed by Pacific Bell's EIS cross connect architecture (i.e., POT, cabling, and distribution point). Teleport's description of the MDF refers to the function performed by the POT frame or bay. Therefore, even Teleport's description implicitly concedes that the POT, as used by Pacific Bell, is not a useless or extra piece of equipment.

The POT is the first point of interface between the respective networks of the collocater and Pacific Bell. As such, the POT establishes ownership and maintenance responsibilities

between the interconnector and Pacific Bell. In essence, Pacific Bell has moved one of its key network distribution points to an area of the central office easily accessible by the interconnector at all times without escort, so the interconnector can perform installation, maintenance and testing functions.

Including a POT in Pacific Bell's EIS cross connect is appropriate from both a design and rate development perspective. The distribution function required to connect the interconnector's network with Pacific Bell service is performed by this arrangement. It would be extremely unfortunate if technical nomenclature (i.e., MDF or POT) were allowed to hamper Pacific Bell's efficient and economical control over its network.

(4) This issue does not apply to Pacific Bell's EIS Tariff.

(i) Security Charges

Pacific Bell's security arrangements are designed to minimize the occasions when an escort is required. To that end, Pacific Bell expects to control access to and within its central offices principally through an electronic card access system, which will eliminate the need for an escort in most cases.

Pacific Bell is in the process of installing in its major central offices a Card Access System, which will be used by its own employees as well as contractors, vendors and others to obtain entry to and within the office. Most of the central offices in which Pacific Bell offers EIS will be equipped with this security system. At those locations, through additions to the basic

security system, corridors will be established that allow interconnectors to use these cards to obtain access to the Collocation Infrastructure Area on a 24 hour per day, 7 days per week basis, without an escort.²⁴ At central offices equipped with the card access system, the only occasions on which a Pacific Bell escort is expected to be necessary are instances when the EIS customer requires access to areas outside the collocation area or corridor established for its use (e.g., cable vault, freight docks or freight elevators). In such cases, the EIS customer will be working in close proximity to Pacific Bell network facilities or in areas with access to these facilities and, consequently, Pacific Bell has an obligation to ensure that the work is completed in a manner that minimizes any risk of a network outage caused by damage or access to those facilities.

In central offices that are not equipped with the card system, designated Pacific Bell personnel will accompany the interconnector to the Collocation Common Area. Security is required at these offices because the interconnector facilities will be located near Pacific Bell network equipment and facilities. In addition, as discussed above, an escort will also be required at these offices when the EIS customer requires access to a vault, docks or freight elevators.

Because of the manner in which Pacific Bell has engineered the provision of EIS, the issue of the need for escort

²⁴ The cards are individually programmed in order to limit the user's access to the central office and to authorized areas within the central office and to permit Pacific Bell to deactivate the card when the user no longer should have access to the central office.

service in cases where collocators require access to central office operational areas does not arise. EIS customers of Pacific Bell will not require access to racks in the operational areas of the central office, because cable racks for their use will be located in the Collocation Common Area. Similarly, such customers will not need access to risers in operational areas, because Pacific Bell is responsible for pulling the customer's riser cables through those areas.

(j) Virtual Collocation Rates

Pacific Bell has not tariffed virtual collocation service at this time.

B. Rate Structure

(a) Rate Elements

Pacific Bell has established the following separate rate elements to recover the costs of furnishing EIS:

Non-Recurring Charges

- Space Preparation (§ 16.7.1(A)(1))
- Cage Construction (§ 16.7.1(A)(2))
- Placement and Materials
 - for DC Power Feed (§ 16.7.1(B)(1), (2))
- Placement/Removal of Fiber Cabling (§16.7.1(D)(1))
- Security Access Cards (§ 16.7.1(E)(1))
- DS1 and DS3 Cross-Connect (§ 16.7.4))

Recurring Charges

- Floor Space (§ 16.7.1(A)(1))
- Fiber Cable Space (§ 16.7.1(C)(1))
- DC Power (§ 16.7.1(B)(1))
- DS1 and DS3 Cross-Connect (§ 16.7.4))

The Designation Order's reference to "excessive bundling of rate elements" (Para. 31(a)) is rooted in concerns that an

exchange carrier may combine in a single rate element either individual functions which are separately useful to a customer or non-essential functions which a customer does not want or need. Such concerns are unfounded in Pacific Bell's case and, hence, no purpose would be served by requiring further unbundling of its EIS rates.

Pacific Bell has established separate rate elements for individual functions that may be useful to EIS customers. For example, different customers may need different levels of DC power for their telecommunications equipment. Accordingly, that service is available as a separate offering and has not been included as part of Pacific Bell's Floor Space or any other rate element.

Likewise, the functions included within each of Pacific Bell's rate elements represent the minimum elements needed to make the particular service useful to customers. The recurring Floor Space rate element includes costs generated by activities relating to other rate elements, but these costs are incurred in administering and maintaining Pacific Bell's collocation arrangements, including the provision of necessary infrastructure support that interconnectors require. These support and other services are required in order for the collocator to continue to maintain its interconnection with Pacific Bell's network. Specifically, in addition to costs associated with the EIS customer's use of the floor space, this rate element includes the maintenance and administration expenses associated with the "surrogate" investment amounts discussed above. Because these investments are recovered through non-recurring charges (for space preparation, cage

construction and installation of the DC power feed), there are no separate recurring charges associated with those activities that can be used for the recovery of ongoing administration and maintenance expenses.

(b) Central Office Construction Charges

(1) Pacific Bell assesses the following non-recurring charges to recover interconnector-specific construction costs: a Cage Construction charge to recover the cost of constructing the space within which the EIS customer will place its transmission and other allowed equipment; a DC Power Feed charge to recover the costs of purchasing and installing DC power distribution feeder cables to EIS cages; and a Fiber Cabling charge to recover the cost of installing remaining fiber cables to EIS cages. Pacific Bell did not include the present discounted value of future maintenance expenses in non-recurring construction charges.

The Designation Order expresses concern that the assessment of these charges may lead to "double recovery" if an initial EIS customer terminates service and removes its equipment and a second customer reuses the same cage.²⁵ In developing its EIS charges, Pacific Bell analyzed the likelihood that the scenario outlined in the Order would occur. Simply stated, it concluded that the probability of such "double recovery" was slight and clearly insufficient to justify the cost of developing and implementing an elaborate administrative scheme for dealing with such a possibility.

²⁵ Designation Order, at ¶ 31(b)(1).

It is important to emphasize that the only circumstances in which the issue of "double recovery" could possibly arise involve the termination of service by an initial EIS customer and the removal of its equipment and a subsequent customer reusing exactly the same location. This scenario appears unlikely for several reasons. In Pacific Bell's experience, the market for alternative access service will not be characterized by rapid entry and exit. Most entrants in the market appear to be companies that possess expertise and resources and claim that they recognize that it will take time for the market for their service to develop. Hence, at least at this stage, Pacific Bell does not anticipate frequent turnover or "churn" in collocation.

Moreover, even if an EIS customer were to terminate service, it likely would make every effort to sell and transfer its equipment in place to a willing buyer.²⁶ In that event, Pacific Bell would not assess non-recurring charges for EIS installation and, thus, no possibility of "double recovery" exists.

If the initial EIS customer were unsuccessful in finding a buyer for its equipment, the possibility that a second customer would emerge at some indefinite point in the future becomes even more remote. A lack of interest in the installed equipment (unless it were obsolete) would suggest that potential entrants are skeptical that the market will support another competitor.

²⁶ It is noteworthy that parties to this proceeding have challenged restrictions on their right to assign their collocation arrangements to third parties. See Petition of: Metropolitan Fiber Systems, Inc. at App. F; Association for Local Telecommunications Services, at App. D; and Wiltel, Inc. at 11.

In sum, Pacific Bell has reasonably concluded that the "reuse" scenario cited in the Designation Order is not likely to occur. Mere possibility is insufficient to warrant expenditure of the resources that would be required to prepare and implement a plan for dealing with such a contingency. Pacific Bell, of course, would revisit this issue in the event that circumstances changed.

(2) Pacific Bell's tariff provides for the recovery of all common construction costs incurred to prepare a central office for collocation service from the first EIS customer in that office.²⁷ In the event, however, that other interconnectors are installed in that office within the following 12 months, the common construction charge will be apportioned among the EIS customers (up to a maximum of four) and a pro rata amount will be remitted to the prior interconnector(s).

Pacific Bell's recovery and proration plan for common construction costs properly reduces (but does not eliminate) the risk to its ratepayers and shareholders that these substantial investment costs will not be recovered from EIS customers because the market for such services does not develop in the manner contemplated by the FCC and the proponents of EIS. If only one interconnector orders service in a central office, it is certainly reasonable and consistent with the Commission's policy of recovering costs from the cost-causative customer to recover the common construction costs entirely from that EIS customer. It is also reasonable to spread such common costs among other EIS

²⁷ Pacific Bell Tariff F.C.C. No. 128, § 16.3.4.

customers, should they emerge, so that they do not unjustly benefit and the first customer is not unfairly disadvantaged.

Pacific Bell developed this recovery and proration plan in light of the fact that no reliable forecast of collocation demand by central office exists or can be formulated. Growth in demand for EIS likely will depend largely on the extent and the success of the interconnector's marketing efforts, factors that are beyond Pacific Bell's control.

The use of a one year period for the refund mechanism takes account of the fact that the initial EIS customer in a central office will have the opportunity because of its status as the first alternative provider in that geographic area to market its service initially to the most profitable customers. Moreover, if that EIS customer remains the sole entrant for a year, it may, as a result, receive a significant return on its investment in common collocation facilities, which a second entrant could not achieve as a result of similar status.

Finally, with regard to suggestions that the proration obligation should extend beyond the initial four collocators, it is important to bear in mind the magnitude of the amounts involved. The incremental benefit of such a proposal to the fifth collocator would amount to a few thousand dollars. That is hardly a significant amount when viewed in light of the millions of dollars that collocators may invest to enter the market. Such a small benefit is not worth the administrative costs Pacific Bell would have to bear to continue the refund program indefinitely.

(c) Equipment

Pacific Bell does not have a non-recurring charge for equipment.

(d) Payment Prior to Construction

Pacific Bell requires an EIS customer to pay certain non-recurring charges associated with the common and customer-specific construction at the time an application for EIS service is received.²⁸ Since Pacific Bell commences the process of construction of an EIS customer's collocation facility as soon as it receives an order, this provision in effect requires payment at the initiation of construction -- a payment schedule supported by at least one commentor.²⁹

Some types of construction contracts call for payment of 50 percent of the price upon execution of the agreement and the balance upon completion of construction. This payment schedule is appropriate in circumstances where there may be some question regarding the provider's capability to complete the agreed upon work. Withholding a substantial portion of the contract price provides some assurance that the contractor will carry out its responsibilities under the agreement. In the case of EIS construction, however, deferring payment of part or all of the construction charge is unnecessary. Since the Commission's rules require Pacific Bell and other exchange carriers to construct the facilities necessary to offer EIS, customers do not require any

²⁸ Pacific Bell Tariff F.C.C. No. 128, § 16.2.1.

²⁹ ALTS Petition, Appendix D, pg. 16, 2.4.1(F).

additional assurance that the work will be completed. Moreover, deferring part of the payment until after construction is completed effectively would require Pacific Bell to finance the cost of construction. That financing cost should properly be borne by the EIS customer.

In addition, deferring part of the construction cost payment until completion of the work places the risk of the customer's default or cancellation on Pacific Bell. Pacific Bell should not be required to assume that risk, since it would not have undertaken the construction but for the customer's order. Pacific Bell's tariff correctly places the risk of default and cancellation on the EIS customer.

(e) Electric Power Increments

Pacific Bell concluded that furnishing DC power to EIS customers in 40 amp increments is more efficient than providing power in smaller increments. Pacific Bell's approach benefits the EIS customer by enabling the interconnector to add equipment and otherwise distribute power within its system up to the maximum of 40 amps without involving Pacific Bell. By contrast, if power were furnished in smaller increments, each time that it decided to add a frame of equipment, the interconnector would have to arrange for additional power distribution feeder cables from Pacific Bell and pay the non-recurring charges associated with processing and implementing each order. For example, if an EIS customer ordered 10 amp increments of DC power on four separate occasions, it would pay a total of \$1812 in non-recurring charges for the added power

(\$453 x 4) plus additional non-recurring charges for Cabling and Placement (between \$4.59 and \$14.55 per linear foot, depending on the length of the cable).³⁰ Under Pacific Bell's approach, the customer pays the non-recurring charges only once for up to 40 amps of power. Significantly, in informal discussions with EIS customers, no requests were received for DC power in increments of less than 40 amps.

Recovering the cost of DC power on an actual usage basis is not efficient since the costs are generated by dedicated capacity, not DC power used. Pacific Bell's recurring charges for DC power are based on the long run incremental costs associated with capacity dedicated to the EIS customer. Whether or not the EIS customer uses that power is not relevant; the point is that the power is dedicated to that customer and it is not available to Pacific Bell. (Reference: Appendix O, Diagram E). Dedicating capacity in 40 amp increments benefits EIS customers by providing sufficient capacity for their immediate and near-term needs. Further, because Pacific Bell must plan and prepare for the interconnector's potential power use, it reduces the uncertainty associated with unknown demand for power from the interconnector. Providing power in smaller increments would make it difficult to forecast, plan and engineer central office power systems for Pacific Bell's facilities as well as those of the interconnectors.

³⁰ Pacific Bell Tariff F.C.C. No. 128, § 16.7.1(b).

(f) Standard Versus Non-Standard Enclosures

This issue does not apply to Pacific Bell's EIS tariff.

(g) Extraordinary Costs

Pacific Bell has the right to recover from customers the costs of compliance with governmental regulation associated with its provision of service to specific customers.³¹ Pursuant to this provision, modifications or upgrades to a central office that Pacific Bell must make as a result of the occupation of space by EIS customers properly are charged to and recovered from those customers. It would be unreasonable for the Commission to require exchange carriers to provide service to EIS customers and then deny Pacific Bell and others a reasonable opportunity to recover costs that are incurred solely as a result of that service offering.

C. Tariff Provisions Governing Interconnection Space Size, Expansion and Location

(a) Pacific Bell offers floor space for EIS in increments of 100 square feet, both for initial and expansion space.³² No potential EIS customers interviewed by Pacific Bell in developing its tariff requested that initial space be made available in increments of less than 100 square feet.

The use of 100 square foot increments is based on Pacific Bell's desire to make the most efficient use of the space available

³¹ Pacific Bell Tariff F.C.C. No. 128, § 16.2.6.

³² See Pacific Bell Tariff F.C.C. No. 128, §§ 16.4.2, 16.4.4.

and is supported by the interconnectors themselves.³³ Standardized collocation spaces facilitate the development of efficient floor plans for central offices in which EIS is offered. Pacific Bell will be able to design walkways and other access areas, as well as cabling and termination facilities from the outset. Such advance planning, however, cannot be accomplished without the use of uniform sizes for interconnector spaces. Furnishing space to EIS customers with varying, negotiated dimensions would be much less efficient and more costly.

Moreover, based upon the information Pacific Bell has received to date from potential EIS customers, 100 square foot increments are reasonably designed to meet customers' needs. This configuration furnishes an EIS customer with ample space for its initial equipment while providing some space for expansion. Based on NEBS guidelines, a 10 foot by 10 foot area is capable of accommodating six bays of equipment. An access aisle of 30 square feet is necessary to enter this space. Thus, only 130 square feet is required for six bays of equipment. Making space available in smaller increments would require much more space for aisles, since each smaller space would require an access point. Moreover, smaller spaces in many cases could not be configured as a larger space.³⁴ Thus, if, for example, space were provided in 25 square foot increments, the minimum by NEBS guidelines to support one equipment bay, plus approximately 15 square feet for aisle access,

³³ Designation Order, at ¶ 32.

³⁴ Pacific Bell does not guarantee the availability of contiguous space.

an EIS customer would have to have 150 square feet of area in the central office and would require at least 90 feet for aisles in order to accommodate six bays of equipment. Pacific Bell would have to devote a total of 240 square feet of area in its office to accommodate the same amount of equipment that it can accommodate with 130 square feet under its existing space requirements.

In requesting space in increments smaller than 100 square feet, some potential interconnectors have artificially isolated the issue of space. When examining what a reasonable increment for space is, the total requirement to support transmission equipment has to be taken into account. Every component of the EIS tariff (space, power, cable space, etc.) is required for an interconnector to establish its network facilities. As the commentors in this proceeding have stated, the costs of these various elements have an impact on the decision to collocate

If interconnection space were allocated in less than 100 square foot increments, which will support six bays, it is important to note that the interconnector, though receiving less space and limiting its equipment placement to one or two bays, will cause Pacific Bell to incur the same infrastructure construction costs and therefore the infrastructure charge would still apply (for example, LSAN01, \$36,199). The space construction costs will not be greatly diminished since the interconnectors will still need costly ironwork and racking to feed their fiber cable and power cable, an enclosure, groundwire, etc. Placement of fiber cable and DC power cable will still be required; and the interconnector's employees will still require security cards. On an ongoing basis,

interconnectors will still pay for the use of cable space and DC power. Indeed, the only requirement that would be less is the interconnector's space requirement. And the recurring charge for space might not decline as much as the interconnectors anticipate, because the maintenance and administration charges recovered on materials installed under non-recurring charges would not be diminished by the lower allocation of actual space.

Pacific Bell imposes a maximum space size of 400 square feet per EIS customer at each central office.³⁵ The 400 square foot limit is reasonable because it provides each EIS customer with sufficient space. As indicated by Pacific Bell's efficient use restriction which requires six bays of equipment for each 100 foot increment of existing space before additional space can be ordered, a customer can install at least 24 bays of equipment in four 100 square foot collocation spaces. One commentor on Pacific Bell's tariff pointed out that 6 bays of equipment allows an EIS customer to provide over 4000 DS1s in a single central office.³⁶ Thus, under the overall space limitation established by Pacific Bell, an EIS customer could provide up to 16,000 DS1s or more at a central office, which is more than the total DS1 demand served by Pacific Bell's largest central office. No commentor on Pacific Bell's tariff has suggested that it requires greater capacity.

(b) This issue is not applicable to Pacific Bell's EIS tariff.

³⁵ See id. at § 16.4.4.

³⁶ Teleport Communications Group, Inc., Petition to Reject or Suspend and Investigate ("Teleport") at Appendix A, Item 20, pg. 3.

(c) The order form Pacific Bell will require for additional space will be the same as that used for an initial space order because Pacific Bell requires most of the same information used for an initial space order to process an order for additional space.³⁷ Pacific Bell needs to know the customer's newly projected space needs, the equipment to be used in the space, the requirements for cable space and DC power, and what type of support from Pacific Bell the customer requires. This is the same type of information that is requested in the initial space order form. By requiring receipt of such a form, Pacific Bell is not required to make potentially incorrect assumptions about the EIS customer's needs as to the additional space. Moreover, it is not burdensome for a customer to provide this information.³⁸ Indeed, to the extent a customer's information has not changed, it can readily copy the relevant information from the initial space order form to the new form. The use of a uniform order processing procedure with standardized forms will also facilitate proper accounting for and treatment of space requests under a "first-come first-served" regime for granting such requests.

The charge for processing an order for additional space is the same as for the initial space since all of the same costs are incurred. Not only are all of the same engineering, material, and contractor costs the same for an additional space as they are for the first, but the same application processing tasks are performed.

³⁷ See Pacific Bell Tariff F.C.C. No. 128, § 16.3.3.

³⁸ A sample order form is attached as Appendix U.

The Designation Order's suggestion that orders for additional space might be "processed as an addendum to the original Agreement" is puzzling.³⁹ EIS is furnished under tariff; there is no executed agreement between the EIS customer and Pacific Bell. Indeed, the FCC expressly rejected proposals by Pacific Bell and others to require separate license agreements with EIS customers.⁴⁰

(d) Pacific Bell will attempt to satisfy EIS customer requests for contiguous space.⁴¹ Pacific Bell's ability to meet such requests, however, depends on a number of variables, such as the amount of total space that has been assigned for collocation, the number of 10 x 10 spaces available for licensing, the location of available spaces within the collocation area, the number of EIS customers, and the demand and timing for EIS. Where contiguous space is available for expansion, the existing enclosure will be revised so that the two spaces become a single space. Pacific Bell does not plan to remove existing enclosures and construct a new enclosure in order to offer contiguous space.

The availability of contiguous space cannot be guaranteed. If expansion must occur using noncontiguous space, the EIS customers will have access to the cable racking in the Common Collocation Area in order to cable between equipment in their respective spaces.⁴²

³⁹ Designation Order at ¶ 36(c).

⁴⁰ See Tariff Order at ¶¶ 85-89.

⁴¹ See Pacific Bell Tariff F.C.C. No. 128, § 16.3.3.(B).

⁴² Id.

These policies are reasonable because they maximize the customer's ability to expand its use of space as the customer sees fit, without disturbing the operations of other customers.

D. Expanded Interconnection With Dark Fiber Service

Pacific Bell does not offer dark fiber service.

E. Interconnector Control Over Channel Assignment On Interconnector's Network

(a), (b) Interconnectors that access EIS cross connects from Pacific Bell will determine channel assignments on their own network and to the point of termination. An interconnector's circuits will be pre-wired to the point of termination, which marks the demarcation between Pacific Bell's network and the interconnector's facilities and is located in the Collocation Common Area. (Reference Appendix O, Diagram E). The interconnector will identify specific pre-wired circuits that are to be interconnected at the point of termination (shown as DP-7 on Diagram E). Pacific Bell will engineer the circuit between its special access facilities and the point of termination to meet the EIS customer's requirements. Thus, there is no basis for a claim that Pacific Bell will deprive an interconnector of control over channel assignment on its network. Indeed, this is the same procedure Pacific Bell employs currently to interconnect special access with interexchange carriers.

F. Efficient Use Of Space

(a) Pacific Bell does not place any restrictions on the amount of floor space that items such as ancillary equipment may occupy in an EIS customer's collocation space. Pacific Bell, however, does apply an "efficient use" requirement to EIS customers that request expansion space. That provision is discussed in subsection (c), below.

(b) Pacific Bell requires an EIS customer to activate its equipment and interconnect one circuit with Pacific Bell's interstate special access service within 90 days of the date on which the EIS customer is informed that its space is ready for occupancy.⁴³ Since between 90 and 180 days are required to construct an EIS customer's space from receipt of the customer's order, the EIS customer actually has a minimum of 90 days from the date of its order to prepare for the installation of its equipment, followed by the 90 day period established by the tariff to activate and interconnect its equipment. Pacific Bell's tariff only requires an EIS customer to install and test its basic equipment and interconnect one circuit within 90 days of space availability. Given the limited amount of work to be performed by the EIS customer, and the 180 to 270 day period actually available to prepare to meet the requirement, the 90 day interconnection requirement after space is made available is reasonable.

Moreover, this requirement is consistent with the Commission's stated objective in authorizing special access collocation in order to "foster competition for basic interstate

⁴³ See Pacific Bell Tariff F.C.C. No. 128, § 16.6.5.

access services."⁴⁴ Requiring EIS customers to interconnect with Pacific Bell special access facilities within 90 days after the EIS facility is available to them provides additional assurance that a customer will confine its use of the EIS facility to the purposes established by the Commission and to promote its competitive objective.

Termination is an appropriate remedy for such customers since they do not fall within the scope of the Commission's authorization that permits the placement of their equipment in a central office. Further, in central offices where space is at a premium, they may occupy space that other EIS customers would use to offer service or Pacific Bell requires for its other services.

(c) Pacific Bell permits EIS customers to request additional space only when each of the customer's existing space segments are occupied by at least six bays of equipment, which are easily accommodated by a 100 square foot area.⁴⁵ This requirement prevents an EIS customer from "warehousing" space and ensures efficient use of valuable central office space.

An efficient use requirement is necessary, whether or not ample collocation space is available in a central office, because it assists Pacific Bell in estimating more accurately its likely future space requirements for EIS service which in turn affects its

⁴⁴ Expanded Interconnection With Local Telephone Company Facilities, Report and Order and Notice of Proposed Rulemaking, 7 F.C.C. Rcd. 7369, 7413 (1992), recon. 8 F.C.C. Rcd. 127 (1992), pets. for recon. pending, appeal pending sub nom. Bell Atlantic Corp v. Federal Communications Commission, No. 92-1619 (D.C. Cir. filed Nov. 25, 1992).

⁴⁵ See Pacific Bell Tariff F.C.C. No. 128, § 16.3.3.

total space planning. Allowing EIS customers to request additional space without efficiently using their existing space could result in the premature exhaustion of space and the unnecessary construction of additional space at potentially greater cost. Adopting an efficient use requirement from the outset also avoids the difficult potential problem of reclaiming space from some EIS customers who have unused or underutilized space, as new EIS customers ask for space or Pacific Bell requires the space to meet its other customers' needs.

The efficiency standard tariffed by Pacific Bell properly requires each collocation space segment to be fully utilized prior to expansion and thereby assures that the maximum amount of the space available for collocation will be used actually to provide service. Specifically, Pacific Bell requires an interconnector to place the equivalent of six fully equipped bays of operating transmission equipment in its initial space prior to obtaining additional space. This means that an interconnector must have installed six equipment frames and placed and turned-up equipment chassis within the available space of the frame. This requirement does not mean that each chassis must be operating at full capacity. It does mean, however, that before the interconnector may request additional space in the central office, it must demonstrate that it has used its initial space for the purpose of providing competitive exchange services, which is the Commission's overriding objective in authorizing collocation. The determination of whether a customer has satisfied the efficient use requirement is solely within the reasonable judgment of Pacific Bell.